

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMCONSUL DANANG

AMEMBASSY JAKARTA

USDEL JEC PARIS

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

AMCONSUL NHA TRANG

CINCPAC

AMCONSUL CAN THO

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TAGS: PFOR, XC, US

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SUBJECT: JUNE 20 EA PRESS SUMMARY

1. NYT' S BUTTERFIELD IN SAIGON REPORTS RVN' S BIGGEST
ARMED FORCES DAY PARADE IN SAIGON WITH 20,000 SOLDIERS

IN MARCH. VN SOURCE THINKS PARADE COST DOLS 400,000; ONE WATCHER ASKED BUTTERFIELD WHY THIEU WASTING PEOPLES' MONEY ON PARADE. WHILE MILITARY EQUIPMENT A TRIBUTE TO AMERICAN INDUSTRY, US MILITARY PRESENCE IS LOW KEY, AS GEN. MURRAY ARRIVES UNACCOMPANIED AND UNNOTICED (NYT, SUN). THIEU, IN 10- MINUTE ADDRESS, DECLARES RVN MUST REMAIN STRONG BECAUSE PEACE CAN ONLY BE " SNATCHED FROM THE HANDS OF AN EXTREMELY SAVAGE ENEMY" THROUGH ARMED MIGHT. THIEU ALSO SAYS IT IS " NAIVE" TO BELIEVE COMMUNISTS WILL ABIDE BY AGREEMENTS, CITING EXPERIENCES SINCE 1954. POST' S LIPPMAN ALSO REPORTS MILITARY PARADE, SAYING IT DRAMATIZED EXTENT TO WHICH COUNTRY DOMINATED BY AND DEPENDENT UPON MILITARY. LIPPMAN DESCRIBES PARADE AS " STUNNING DISPLAY OF WHAT THE UNITED STATES HAS POURED IN HERE OVER THE YEARS." REPORTS SMALL SECTION OF EMPTY SEATS HAD BEEN RESERVED FOR OPPOSITION MEMBERS OF ASSEMBLY (WP).

2. MIG-19 COMES IN FROM NORTH OVER QUANG TRI CITY ON RECON MISSION, PENETRATING 18 MILES SOUTH OF DMZ AND SIX MILES INSIDE GVN- CONTROLLED TERRITORY. ARVN MACHINE GUNNERS FIRE, BUT MIG LEAVES BEFORE VNAF CAN SCRAMBLE. ACCORDING US AND GVN INTELLIGENCE SOURCES, COMMUNISTS HAVE BEGUN BUILDING AT LEAST NINE AIRFIELDS IN SVN SINCE C- F (UPI SAIGON, REPORTED IN NYDN, CHITRIB, PHINQ). SUN' S CORDDRY REPORTS DOD SAYS NORTH VIETNAMESE ARE RE-BUILDING FIVE AIRFIELDS IN SVN THAT CAN HANDLE MIGS.

3. VC DENIES FIRING ON ICCS CHOPPERS SUNDAY AND PROTESTS CANADIAN ICCS DEL' S " INACCURATE REPORTING" OF INCIDENT (CHITRIB, NYT). REUTER PARIS REPORTS PRG ACCUSES GVN OF SEEKING TO AVOID IMPLEMENTING JUNE 13 COMMUNIQUE AND CALLS FOR RESUMPTION OF POL TALKS NEXT WEEK (NYT). AFP HANOI REPORTS ARRIVAL FIRST GROUP OF US MINE- CLEARING SPECIALISTS (NYT).

4. SEN. WILLIAMS (DEM. NJ) INTRODUCES BILL TO AUTHORIZE ASSISTANCE TO VIETNAMESE CHILDREN ORPHANED OR OTHERWISE UNCLASSIFIED

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DISPLACED BY WAR. DOLS 2.5 MILLION WOULD BE MADE AVAILABLE TO GVN AND DOLS 5 MILLION TO PRIVATE VOLUNTEER AGENCIES. WILLIAMS ESTIMATES 700,000 CHILDREN HAVE LOST ONE OR BOTH PARENTS (NYT).

5. UPI PP REPORTS FANK REGAINED CONTROL OF SECTION OF HIGHWAY 4 NEAR ANG SNUOL. LARGE TRUCK CONVOY FROM KOMPONG SOM WAITING TO TRAVEL TO PP (NYT, PHINQ, CHITRIB, NYDN, WP). AP PP REPORTS (NYT) INFORMED SOURCES SAY LON NOL HAS FREED NINE SIHANOUK- FOLLOWERS ARRESTED WHEN PRINCE WAS OUSTED IN 1970. MOST PROMINENT IS OUM MANORIN, SIHANOUK' S SECRET POLICE CHIEF AND MONIQUE' S HALF-BROTHER. POLITICAL OBSERVERS SEE LITTLE LINK BETWEEN

RELEASES AND ANY POSSIBLE MOVE TOWARD NEGOTS WITH GRUNK.

6. CSM' S PEAGAM IN VIENTIANE REPORTS EMMETT KAY IS FIRST AMERICAN POW CAPTURED IN LAOS SINCE C- F. RELIABLE US SOURCES IN VIENTIANE TELL PEAGAM THAT KAY IS PILOT WITH CONTINENTAL AIR SERVICES, AIRLINE WHICH DOES LOGISTICAL WORK IN LAOS FOR USG. DOS SPOKESMAN HAS SAID KAY WAS NOT ON MILITARY MISSION. JUST BEFORE HE WENT DOWN, KAY RADIOED WEATHER WAS BAD, HE WAS RUNNING OUT OF FUEL, AND WOULD HAVE TO LAND. S & R MISSION FAILED TO LOCATE PLANE. PEAGAM SAYS INCIDENT SHOWS HOW ACTIVE USG STILL IS IN LAOS (CSM).

7. NYT' S TV CRITIC O' CONNOR REVIEWS NBC- TV' S " THE SINS OF THE FATHERS" - TV STUDY OF PLIGHT OF CHILDREN IN SVN FATHERED BY US SERVICEMEN. PRODUCER- NARRATOR SAYS " IT IS IMPORTANT TO KNOW THAT THE VIETNAMESE ARE RACISTS. THEY HAVE ALWAYS BEEN." WITH 700,000 ORPHANS OR HALF- ORPHANS IN SVN, NORTHSHIELD SAYS PROBLEM OF RACIALLY- MIXED ORPHANS MAY BE FAR DOWN ON LIST OF NATIONAL PRIORITIES: " THAT' S UNDERSTANDABLE," HE NOTES, " UNLESS YOU ARE ONE OF THEM." ACCORDING TO NORTHSHIELD, ADOPTION PROCEDURES ARE " CURIOUSLY CLOGGED." US AND GVN AGREE THEY MUST BE SPEEDED UP, BUT THERE HAS BEEN NO ACCELERATION (NYT).

8. REP. WILBUR MILLS, IN JUNE 18 SPEECH AT JAPAN SOCIETY DINNER, SAID U. S.- JAPANESE FRICTIONS ARE " OVEREMPHASIZED", AND " MOST OF THE PROBLEMS AND FRICTIONS WHICH CLOUD THE UNCLASSIFIED

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U. S.- JAPANESE RELATIONSHIP STEM FROM THE FACT THAT ATTITUDES AND PERCEPTIONS IN BOTH COUNTRIES HAVE LAGGED BEHIND THE OBJECTIVE CHANGES IN OUR RELATIVE POSITIONS." MILLS SAID HE WAS FAVORABLY IMPRESSED BY JAPAN' S ACTIONS TO ACCEPT FOREIGN INVESTMENTS AND REDUCE IMPORT RESTRICTIONS, AND WOULD LIKE TO SEE FURTHER PROGRESS IN THESE AREAS (JOC).

9. CHARLES FULLER REPORTS (FROM NY) JAPANESE INVESTORS RAPIDLY ACCELERATING PURCHASES OF U. S. SECURITIES. TERASAWA, PRESIDENT NOMURA SECURITIES INTL., PREDICTS 4-5 BILLION DOLLARS WORTH WILL BE PURCHASED IN NEXT FEW YEARS. AS OF APRIL '73 JAPANESE ALREADY OWNED DOLS 1.5 BILLION IN U. S. EQUITY HOLDINGS, DEBT SECURITIES, AND MUTUAL FUNDS. DIRECT INVESTMENT IN U. S. TOTALED DOLS1 BILLION AS OF MARCH 31, 1972; MANUFACTURING 10 PERCENT, REST BANKING AND TRADING COMPANIES (JOC).

10. MICHAEL DRAPKIN REPORTS (WSJ) THAT JAPAN, LONG AN EXPORTER OF STEEL TO U. S., NOW BUILDING A SMALL MILL IN AUBURN, N. Y., WITH CAPITALIZATION DOLS 18 MILLION, TO PRODUCE 150,000 TONS OF CONCRETE REINFORCING BARS YEARLY.

MITI REPORTS (CHITRIB) THAT STEEL EXPORTS EXPECTED TO TOTAL 24.5 MILLION METRIC TONS IN YEAR ENDING MARCH 31, 1974, UP 7.6 PERCENT.

11. SINGER CO., (WSJ) HAS FORMED 50-50 JOINT VENTURE WITH HITACHI TO MARKET BUSINESS MACHINES OF BOTH.

12. CANADIAN PRESS IN MONTREAL REPORTS (NYT) 1976 SUMMER OLYMPICS ADVISER TAKAC OF YUGOSLAVIA SAID PRC HAS MADE FIRST STEPS TOWARD PARTICIPATION. SAID PRC " MAKING A CONDITION THAT TAIWAN BE EXPELLED AND ONLY THEN WOULD THEY BE READY TO FULFILL THE REQUIREMENTS OF THE I. O. C. OF COURSE, AT THE MOMENT, THIS IS NOT IN LINE WITH THE ACTUAL RULES OF THE I. O. C. ... IT APPEARS CHINA SHOULD ADAPT POLICY TO I. O. C. RULES AND, OF COURSE, A CERTAIN FLEXIBILITY SHOULD ALSO BE EXPECTED FROM THE INTERNATIONAL BODIES TO FIND THE BEST SOLUTION TO THIS QUESTION."

13. WSJ REPORTS (WASH.) THAT EX- IM BANK HAS APPROVED LOAN UNCLASSIFIED

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OF DOLS 3.1 MILLION TO HANTEX CORP. OF THAILAND TO BUY U. S. EQUIPMENT AND MATERIALS TO BUILD A NYLON- FILAMENT PLANT, AND WILL PROVIDE FINANCIAL GUARANTEES FOR OTHER LOANS TO HELP FINANCE THE NEW COMPANY.

14. CHITRIB REPORTS (REUTERS, BANGKOK) THAT AUTOMOBILE IS NOW THAI STATUS SYMBOL AND MANY WORKERS PLUNGING INTO DEBT TO BUY ONE. BANGKOK HAS 250,000 VEHICLES, WITH 14,000 SOLD LAST YEAR, INCREASE OF 3000 OVER 1971.

15. BANK OF AMERICA REPORTS (WSJ, SAN FRANCISCO) THAT IT MAY ESTABLISH FOUR ADDITIONAL MERCHANT BANKS WITH INTERNATIONAL PARTNERS, SIMILAR TO ONE IT SET UP IN SINGAPORE. IT PLANS TO OPEN IN HONG KONG, IS CONSIDERING MANILA, BANGKOK AND KL.

16. NYT REPORTS WHITLAM CRITICIZED AS " ILL- TIMED" GENERAL MOTORS APPOINTMENT OF AN AMERICAN TO HEAD GM- HOLDEN, SUCCEEDING FIRST AUSTRALIAN TO HOLD THE POST, WHO IS RETIRING. APPOINTMENT WAS ALSO CRITICIZED EARLIER THIS MONTH BY MINISTER CAIRNS. GM HAD NO COMMENT.

17. JOE ALSOP (WP) EXCORIATES FOOT- DRAGGING ON NOMINATIONS TO EXECUTIVE AND AMBASSADORIAL POSTS AS " SENATORIAL EGO- TRIP." OBSERVES THAT OF LATTER, MARTIN APPOINTMENT AS AMBASSADOR TO SVN APPROVED ONLY AFTER AIKEN' S HEAVY PRESSURE ON FULBRIGHT. GODLEY, SULLIVAN AND WHITEHOUSE ARE MEN OF IMPECCABLE CHARACTER: WHITEHOUSE IS PERHAPS MOST ADMIRER FSO OF HIS RANK AND AGE. CHARGE AGAINST ALL OF THEM IS, SOLELY AND SIMPLY, THAT THEY FAITHFULLY CARRIED OUT THEIR INSTRUCTIONS WHILE ON DUTY

IN SEA. FULBRIGHT'S TREATMENT IS WORSE THAN MCCARTHY'S.

18. IN LETTER TO WP EDITOR, GKR AMBASSADOR UM SIM REPLIES TO STERN'S JUNE 11 ARTICLE, "US PAYS FOR PHANTOM WAR". CONCEDES ARMY CORRUPTION WHICH ATTRIBUTABLE TO RAPID FANK EXPANSION UNDER WAR CONDITIONS, BUT SAYS COUNTERMEASURES HAVE BEEN TAKEN SINCE LAST YEAR. DISPUTES POST FIGURE OF 5,000 NVAS IN KHMER AS BEING TOO LOW, CITING GKR INTELLIGENCE ESTIMATE OF NO LESS THAN 45,000, ONE-THIRD OF WHICH INVOLVED IN COMBAT SUPPORT OF KI. NOTES ALSO UNCLASSIFIED

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HANOI VIOLATIONS OF PARIS AGREEMENT.

19. CHARLES SMITH (UPI HONG KONG, PHINQ) REPORTS NO MENTION IN PRC PRESS OR RADIO ABOUT NIXON-BREZHNEV TALKS, ADDING THAT THIS DOES NOT MASK PEKING'S DEEP CONCERN ABOUT SUMMIT'S MILITARY RAMIFICATIONS. RECALLS PRC FEARS THAT SOVIET-AMERICAN DETENTE MIGHT LEAD TO SIGNIFICANT US MILITARY CUTBACK IN EUROPE, THUS ENABLING USSR TO CONCENTRATE ATTENTION ON ASIAN FRONT.

20. SUN'S WOODRUFF, IN HONG KONG, NOTES THAT CHIANG CHING AND YAO WEN-YUAN WITH AMBASSADOR BRUCE, ATTENDED CHINESE-AMERICAN BASKETBALL GAME. HAVING BEEN PRIME MOVERS OF GPCR'S RADICAL PERIOD, THEIR APPEARANCE INTERPRETED AS RADICAL LEFTIST ENDORSEMENT OF SINO-US DETENTE. EFFECT OF APPEARANCE AS ENDORSEMENT REDOUBLED BY FACT THAT IT WAS BRUCE'S FIRST STEP INTO PEKING PUBLIC LIMELIGHT; HE SAT IN PLACE OF HONOR NEXT TO CHIANG, WHO WORE A DRESS IN PUBLIC FOR FIRST TIME SINCE GPCR. PRINGLE OF REUTER PEKING (WP) ALSO NOTES EVENT; CITES DIPLOMATS AS SAYING CHIANG AND YAO APPEARANCE WITH BRUCE BEFORE 18,000 IN STADIUM AND COUNTLESS MILLIONS MORE WATCHING TV WAS A POLITICAL EVENT GIVING FULL IMPRIMATUR OF CHINA'S LEFTISTS TO THE LEADERSHIP'S NEW RELATIONSHIP OF CORDIALITY WITH THE US.

21. FROM HONG KONG, S-N'S BRADSHER (JUNE 19) SUGGESTS THAT MAO HAS IDEOLOGICAL AFFINITY FOR ECONOMIC POLICIES IMPLEMENTED DURING GREAT LEAP FORWARD AND GPCR WHICH PLACED MORE IMPORTANCE ON POLITICAL EXHORTATION THAN MATERIAL INCENTIVES FOR ACHIEVING PRODUCTION. INTERPRETS MAO'S CURRENT SILENCE ON DOMESTIC AFFAIRS IMPLIES DISAPPROVAL OF CHINA'S IDEOLOGICAL TREND UNDER CHOU, BUT BELIEVES MAO IS LEAVING SOME UNCERTAINTY ABOUT HIS ATTITUDE IN CHINA'S PRESENT ECONOMIC DIFFICULTIES. SINCE CHOU WAS PREMIER WHEN MAO BLAMED LIU SHAO-CHI FOR CARRYING OUT "REVISIONIST" POLICIES, BRADSHER FEELS THAT UNLESS MAO HAS DRASTICALLY CHANGED HIS THINKING, HE COULD REGARD CHOU AS FOLLOWING THE WRONG ECONOMIC LINE. THIS POSSIBILITY, COMBINED WITH PERSONAL TENSIONS LEFT BY THE

GPCR AND OTHER FACTORS, LEAVES SEEMINGLY PLACID AND
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STABLE CHINA IN A CONDITION OF POTENTIAL INTERNAL
CONFLICT.

22. WSJ'S WILLIAM WONG INTERVIEWS CHINESE- AMERICANS WHO
RECENTLY VISITED CHINA, NOTING THAT OF SOME 3,000
AMERICANS WHO TOURED CHINA SINCE PING PONG DIPLOMACY,
ABOUT HALF ARE CHINESE- AMERICANS. FINDS THAT WITH
MINOR EXCEPTIONS, THEY WERE WELL- TREATED IN CHINA, SEEMED
LARGELY IMPRESSED WITH SOCIAL AND ECONOMIC PROGRESS, AND
PROUD OF THEIR ETHNIC HERITAGE. SOME FOUND RELATIVES
FEARFUL OF CONTACTS. MOST SAY IT'S A GREAT PLACE TO
VISIT, BUT THEY WOULDN'T WANT TO LIVE THERE. ROGERS

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